This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 10 ROME 005308

SIPDIS

FROM U.S. MISSION IN ROME

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 01 OF 10 300830Z
E.O. 12958: N/A
TAGS: EAID EAGR AORC PREF KUNR EAG

SUMMARY

11. THE BOARD SESSION TOOK PLACE AGAINST THE BACKDROP OF EVER-INCREASING EMERGENCY NEEDS (PARTICULARLY IN AFRICA) AND HOW BEST TO PROVIDE THE NECESSARY LEVEL OF RESOURCES TO ENSURE AN ADEQUATE LEVEL OF EMERGENCY FUNDING FOR WFP.

12. ON DONATIONS OF BIOTECH FOODS, THE BOARD TOOK NOTE OF THE WFP POLICY IN EFFECT AND REQUESTED THAT A PAPER BE PREPARED, FOR PRESENTATION AT A FUTURE SESSION, THAT TAKES INTO ACCOUNT THE VIEWS EXPRESSED DURING THE DISCUSSION AT THIS SESSION. INFORMALLY IT WAS AGREED THAT THE PRESIDENT OF THE BOARD WILL CONSIDER WITH THE BUREAU, IN CONSULTATION WITH THE WFP SECRETARIAT, APPROPRIATE MEASURES RELATED TO THE IMPLEMENTATION OF THE BOARD'S DECISION ON BIOTECH FOODS. BOTH THE NETHERLANDS AND THE EUROPEAN COMMISSION FELT THAT WFP COULD DO MORE TO ASSURE THAT RECIPIENT COUNTRIES ARE BOTH THE NETHERLANDS AND THE EUROPEAN COMMISSION FELT THAT WFP COULD DO MORE TO ASSURE THAT RECIPIENT COUNTRIES ARE BETTER INFORMED ABOUT BIOTECH FOODS AND THAT WFP SHOULD ACTIVELY PURSUE VIABLE ALTERNATIVES. THE EC ENUNCIATED THE RIGHT OF ANY GOVERNMENT TO APPLY THE PRINCIPLES OF THE CARTAGENA PROTOCOL, IN PARTICULAR THE PRECAUTIONARY PRINCIPLE, AND SAFEGUARD THEIR TERRITORY FROM UNINTENTIONAL UNCLASSIFIED

PAGE 04 ROME 05308 01 OF 10 300830Z CONTAMINATION FROM GENETICALLY MODIFIED CROPS. BELGIUM AND NORWAY ANNOUNCED THEY WOULD RESTRICT THEIR CASH CONTRIBUTIONS TO PURCHASE NON-GMO FOOD ONLY.

13. ON BUDGET AND FINANCIAL MATTERS, THE BOARD APPROVED THE USE OF USD 86.1 MILLION IN SURPLUS CASH AND LOAN PROCEEDS TO FUND IN PART THE EXPENDITURE PLAN OF THE EXECUTIVE DIRECTOR, PRINCIPALLY DIRECTED TO EMERGENCY OPERATIONS. THE BOARD APPROVED THE 2000-2001 WFP BIENNIAL FINANCIAL STATEMENTS TOGETHER WITH THE REPORT OF THE ORGANIZATION'S EXTERNAL AUDITOR. ON INDIRECT SUPPORT (ISC) COSTS, THE BOARD DECIDED TO KEEP THE CURRENT 7.8 PERCENT ISC RATE IN PLACE FOR 2002 AND APPROVED THE REDUCTION OF THE ISC RATE TO 7.0 PERCENT FOR 2003. ON THE ISSUE OF SUBSTANTIVE CASH BALANCES, THE BOARD TOOK NOTE OF WFP'S ACTION PLAN TO BRING ITS CASH BALANCES TO APPROPRIATE LEVELS, WITH A TARGET DATE OF DECEMBER 2003.

UNCLASSIFIED

UNCLASSIFIED PTQ7828

PAGE 01 ROME 05308 02 OF 10 300830Z ACTION SSO-00

LOG-00 AF-00 AID-00 ANHR-00 EUR-00 TEDE-00 IO-00 NSCE-00 OIC-02 OMB-01 PRM-00 SAS-00 /003W INFO LOG-00 UTED-00 TEST-00 SS-00 /003W

----007C39 300904Z /38

P 300722Z OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6650

INFO EU MEMBER STATES COLLECTIVE AMEMBASSY MOSCOW AMEMBASSY BEIJING

AMEMBASSY BEUJING
AMEMBASSY SEOUL
AMEMBASSY TOKYO
AMEMBASSY ADDIS ABABA
AMEMBASSY ASMARA
AMEMBASSY YAOUNDE
AMEMBASSY BAMAKO

AMEMBASSY NOUAKCHOTT AMEMBASSY NAIROBI AMEMBASSY NIAMEY

AMEMBASSY TBILISI AMEMBASSY LUANDA

AMEMBASSY LUANDA
AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED

PAGE 02 ROME 05308 02 OF 10 300830Z

AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT AU PRINCE
AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA

AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA AMEMBASSY MANAGUA AMEMBASSY GUATEMALA

AMEMBASSY GUATEMALA AMEMBASSY OTTAWA AMEMBASSY BERN SOUTHERN AFRICAN DEVELOPMENT COMMUNITY USDA FAS WASHDC 2365 USEU BRUSSELS 2890

USMISSION GENEVA

USMISSION USUN NEW YORK

UNCLAS SECTION 02 OF 10 ROME 005308

FROM U.S. MISSION IN ROME

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLENNER USUN FOR LSHESTACK NSC FOR LIMMOVEN NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 02 OF 10 300830Z
E.O. 12958: N/A
TAGS: EAID EAGR AORC PREF KUNR EAG

14. DEVELOPMENT PROGRAMS VALUED AT USD 152.1 MILLION AND USD 523.9 MILLION IN PROTRACTED RELIEF AND RECOVERY OPERATIONS WERE APPROVED. A WFP GENDER POLICY WAS APPROVED. THE EUROPEAN COMMISSION FURTHER CLARIFIED ITS VIEW ON FOOD AID. FINALLY, THIS MARKED THE FIRST BOARD APPEARANCE FOR AMBASSADOR TONY HALL, WHO ENUNCIATED THE DEEP CONCERN ON THE PART OF THE UNITED STATES FOR THE WORSENING FOOD CRISIS IN SOUTHERN AFRICA, WHERE AS MANY AS 14.4 MILLION PEOPLE MAY BE AT RISK FROM STARVATION. END SUMMARY.

WFP POLICY ON DONATIONS OF FOODS DERIVED FROM BIOTECNOLOGY (GM/BIOTECH FOODS)

15. WFP REITERATED THAT ITS PRIMARY GOAL IS TO PROVIDE AS MUCH FOOD ASSISTANCE AS POSSIBLE TO THOSE IN NEED. WFP CONDUCTS ITS FOOD AID ACTIVITIES IN ACCORDANCE WITH APPLICABLE INTERNATIONAL AGREEMENTS AND NATIONAL LEGISLATION OF DONOR AND RECIPIENT COUNTRIES AND IN ACCORDANCE WITH RELEVANT GUIDELINES AND RECOMMENDATIONS OF THE CODEX ALIMENTARIUS. WFP ESSENTIALLY ACTS AS A BROKER IN FOOD AID SHIPMENTS, AND THE POLICIES OF THE GOVERNMENTS (RECEPIENT AND DONOR) INVOLVED PREVAILS. IN ORDER TO FUNCTION, WFP MUST OPERATE ON THE ASSUMPTION THAT GOVERNMENTS EXERCISE DUE UNCLASSIFIED

UNCLASSIFIED

PAGE 04 ROME 05308 02 OF 10 300830Z
DILIGENCE IN SETTING NATIONAL REGULATIONS WITH REGARD TO
EXPORTS AND IMPORTS OF FOOD. AFTER EXTENSIVE DISCUSSION (REF
A), THE BOARD TOOK NOTE OF THE WFP POLICY IN EFFECT AND
REQUESTED THAT A PAPPER BE PREPARED, FOR PRESENTATION AT A
FUTURE SESSION, THAT TAKES INTO ACCOUNT THE VIEWS EXPRESSED
DURING THE DISCUSSION. IMPORMALLY IT WAS AGREED THAT THE
PRESIDENT OF THE BOARD WILL CONSIDER WITH THE BUREAU, IN
CONSULTATION WITH THE WFP SECRETARIAT, APPROPRIATE MEASURES
RELATED TO THE IMPLEMENTATION OF THE BOARD'S DECISION ON
BIOTECH FOODS. BIOTECH FOODS.

 $\underline{\ }$ 6. AMBASSADOR TONY HALL EXPRESSED THE U.S. POSITION, AS FOLLOWS:

-"THE U.S. IS DEEPLY CONCERNED ABOUT THE WORSENING FOOD CRISIS IN SOUTHERN AFRICA, WHERE AS MANY AS 14.4 MILLION PEOPLE MAY BE AT RISK FROM STARVATION;

UNCLASSIFIED

UNCLASSIFIED PTQ7833

PAGE 01 ROME 05308 03 OF 10 300830Z ACTION SSO-00

INFO LOG-00 AF-00 TEDE-00 IO-00 PRM-00 SAS-00 AID-00 ANHR-00 EUR-00 E-00 NSCE-00 OIC-02 OMB-01 SS-00 /003W UTED-00 TEST-00

---007CCB 300909Z /38

P 300722Z OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6651 INFO EU MEMBER STATES COLLECTIVE

AMEMBASSY MOSCOW AMEMBASSY BEIJING AMEMBASSY SEOUL AMEMBASSY TOKYO

AMEMBASSY TOKYO
AMEMBASSY ADDIS ABABA
AMEMBASSY ASMARA
AMEMBASSY YAOUNDE
AMEMBASSY BAMAKO
AMEMBASSY NOUAKCHOTT

AMEMBASSY NAIROBI AMEMBASSY NIAMEY AMEMBASSY TBILISI

AMEMBASSY LUANDA AMEMBASSY COLOMBO

AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED

ROME 05308 03 OF 10 300830Z PAGE 02

PAGE 02 ROME 0530
AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT AU PRINCE
AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA
AMEMBASSY TEGUCIGALPA
AMEMBASSY TEGUCIGALPA
AMEMBASSY GUATEMALA
AMEMBASSY OTTAWA
AMEMBASSY OTTAWA
AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPA

SOUTHERN AFRICAN DEVELOPMENT COMMUNITY USDA FAS WASHDC 2366 USEU BRUSSELS 2891

USMISSION GENEVA USMISSION USUN NEW YORK

STPDIS

FROM U.S. MISSION IN ROME

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR GM MILLER AND KI GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 03 OF 10 300830Z

PAGE 03 ROME 05308 03 OF 10 3008302
E.O. 12958: N/A
TAGS: EAID EAGR AORC PREF KUNR EAG

-THE USAID EARLY WARNING SYSTEM FORECAST THIS DROUGHT LAST DECEMBER, AND AS OF THE END OF JULY, THE U.S. HAD DELIVERED 130,000 MT OF FOOD, WORTH USD 68 MILLION TO THE REGION. TH 130,000 MT OF FOOD, WORTH USD 68 MILLION TO THE REGION. THE U.S. HAS ANOTHER 160,000 MT, WORTH USD 80 MILLION AT VARIOUS POINTS IN THE PIPELINE NOW AND WE ARE LOOKING TO DO MORE VERY SOON. YET OUR EFFORTS WILL NOT BE ENOUGH. THE WFP AND FAO HAVE ESTIMATED THAT 1.6 MILLION MT OF FOOD AID WILL BE NEEDED THROUGH MARCH 2003;

-ALL OF THE FOOD DONATED BY THE UNITED STATES HAS PASSED OUR RIGOROUS FOOD SAFETY AND ENVIRONMENTAL IMPACT TESTING, AND, IN FACT, IS EATEN DAILY -- AND HAS BEEN FOR YEARS -- BY MILLIONS OF AMERICANS;

THE UNITED STATES STRONGLY SUPPORTS GREATER FOCUS ON SUSTAINABLE AGRICULTURE IN AFRICA. THOSE EFFORTS MUST INCLUDE NEW TECHNOLOGIES, INCLUDING BIOTECHNOLOGY, BASED ON SOUND SCIENCE AND APPROPRIATE RISK MANAGEMENT. BIOTECHNOLOGY IS A KEY TO RAISING AGRICULTURAL PRODUCTIVITY, WHICH IN TURN, WILL HELP TO ALLEVIATE SIGNIFICANT HUNGER, MALNUTRITION AND POVERTY IN THE WORLD. WE ARE INCREASING OUR AID AND ATTENTION TO THAT GOAL AND ARE ENCOURAGING OTHERS -INCLUDING MULTILATERAL ORGANIZATIONS - TO DO THE SAME;

-OUR COMMON GOAL SHOULD BE TO WORK CLOSELY WITH ALL FOOD-UNCLASSIFIED

PAGE 04 ROME 05308 03 OF 10 300830Z INSECURE COUNTRIES TO BETTER UNDERSTAND THE FACTS AND SCIENCE OF BIOTECH FOODS SO THAT MISUNDERSTANDINGS AND MISPERCEPTIONS DO NOT LEAD TO DELAYS AND BLOCKAGES WHICH ENDANGER THE LIVES OF MILLIONS OF PEOPLE.

17. BOTH THE NETHERLANDS AND THE EUROPEAN COMMISSION FELT THAT WFP COULD DO MORE TO ASSURE THAT RECIPIENT COUNTRIES ARE BETTER INFORMED ABOUT BIOTECH FOODS AND THAT WFP SHOULD ACTIVELY PURSUE VIABLE ALTERNATIVES. THE EC ENUNCIATED THE RIGHT OF ANY GOVERNMENT TO APPLY THE PRINCIPLES OF THE CARTAGENA PROTOCOL, IN PARTICULAR THE PRECAUTIONARY PRINCIPLE, AND SAFEGUARD THEIR TERRITORY FROM UNINTENTIONAL CONTAMINATION FROM GENETICALLY MODIFIED CROPS. BELGIUM AND NORWAY ANNOUNCED THEY WOULD RESTRICT THEIR CASH CONTRIBUTIONS TO PURCHASE NON-GMO FOOD ONLY.

UNCLASSIFIED

UNCLASSIFIED PTO7834

HTED-00

PAGE 01 ROME 05308 04 OF 10 300831Z ACTION SSO-00

INFO LOG-00 AF-00 AID-00 ANHR-00 EUR-00 E-00 TEDE-00 IO-00 NSCE-00 OIC-02 OMB-01 SS-00 PRM-00 SAS-00 /003W ------007CE0 3009092 /38

P 300722Z OCT 02
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 6652
INFO EU MEMBER STATES COLLECTIVE
AMEMBASSY MOSCOW
AMEMBASSY BEIJING
AMEMBASSY ESOUL
AMEMBASSY TOKYO
AMEMBASSY ADDIS ABABA P 3007227 OCT 02

AMEMBASSY ASMARA
AMEMBASSY YAOUNDE
AMEMBASSY BAMAKO
AMEMBASSY NOUAKCHOTT
AMEMBASSY NAIROBI

AMEMBASSY NIAMEY AMEMBASSY TBILISI AMEMBASSY LUANDA

AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED ROME 05308 04 OF 10 300831Z

AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT AU PRINCE
AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA AMEMBASSY GUATEMALA AMEMBASSY OTTAWA AMEMBASSY BERN

AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2367
USEU BRUSSELS 2892
USMISSION GENEVA
USMISSION USUN NEW YORK

STPDIS

```
FROM U.S. MISSION IN ROME
```

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JSWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 04 OF 10 300831Z
E.O. 12958: N/A
TAGS: EALD EAGR AORC PREF KUNR EAG

FINANCIAL AND BUDGETARY MATTERS

18. WFP PRESENTED ITS CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2000-2001 BIENNIUM. WFP'S EXTERNAL AUDITOR (THE FRENCH GOVERNMENT'S COUR DES COMPTES) PROVIDED AN UNQUALIFIED OPINION SUPPORTED BY COMMENTS AND RECOMMENDATIONS. THE BOARD APPROVED THE FOLLOWING:

A) THE 2000-2001 FINANCIAL STATEMENTS OF WFP TOGETHER WITH THE REPORT OF THE EXTERNAL AUDITOR, PURSUANT TO GENERAL REGULATION XIV.6(B);

- B) THE ESTABLISHMENT OF A STAFF COST VARIANCE ACCOUNT TO RECORD VARIANCES BETWEEN STANDARD AND ACTUAL COSTS OF PROJECT FUNDED STAFF MEMBERS;
- C) THE ESTABLISHMENT OF AN INVESTMENT OFFICER POST FOR 2002-2003;
- D) THE USE OF USD 86.1 MILLION OF SURPLUSES AND LOAN PROCEEDS TO FUND IN PART THE EXPENDITURE PLAN OF THE EXECUTIVE DIRECTOR, INTER ALIA: TRANSFER TO IMMEDIATE EXECUTIVE DIRECTOR, INTER ALIA: TRANSFER TO IMMEDIATE RESPONSE ACCOUNT/REPAYMENT OF CERF LOAN, USD 26.5 MILLION; SYSTEMS DEVELOPMENT AND ENHANCEMENT, USD 9.8 MILLION; RECURRING SYSTEMS SUPPORT COSTS, 0.3 MILLION; 4) UNDERWRITING THE COST OF THE INVESTMENT OFFICER POST FOR UNCLASSIFIED

PAGE 04 ROME 05308 04 OF 10 300831Z 2002/03, ETC;

- E) THE FUNDING OF THE PSA (PROGRAM SUPPORT & ADMINISTRATION) 2000-2001 EXPENDITURE SHORTFALL OF US 40.7 MILLION FROM THE UNEARMARKED SURPLUS OF THE GENERAL FUND;
- F) THE PRESENT MANNER OF RETAINING THE EXCESS OF ASSETS OVER LIABILITIES AS PART OF THE STAFF BENEFIT FUNDS;
- G) THE TRANSFER OF USD 3 MILLION FROM THE UNEARMARKED SURPLUS OF THE GENERAL FUND TO THE KOSOVO SPECIAL ACCOUNT.

FINAL REPORT OF THE ANALYSIS OF THE INDIRECT SUPPORT COST (ISC) RATE

______ ___

UNCLASSIFIED

UNCLASSIFIED PTO7836

PAGE 01 ROME 05308 05 OF 10 300831Z ACTION SSO-00

AID-00 ANHR-00 EUR-00 E-00 NSCE-00 OIC-02 OMB-01 SS-00 /003W INFO LOG-00 AF-00 TEDE-00 IO-00 PRM-00 SAS-00 UTED-00 ---007CFB 300910Z /38

P 300722Z OCT 02

P 300722Z OCT 02
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 6653
INFO EU MEMBER STATES COLLECTIVE
AMEMBASSY MEDIJING
AMEMBASSY SEOUL
AMEMBASSY SEOUL
AMEMBASSY ADDIS ABABA
AMEMBASSY ADDIS ABABA
AMEMBASSY ADDIS ABABA
AMEMBASSY AMARA
AMEMBASSY AMARA
AMEMBASSY NOUNDE
AMEMBASSY NIAWEY
AMEMBASSY LUANDA
AMEMBASSY LUANDA
AMEMBASSY COLOMBO
AMEMBASSY MONROVIA

AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED

PAGE 02 ROME 05308 05 OF 10 300831Z AMEMBASSY DAR ES SALAAM

AMEMBASSY PORT AU PRINCE
AMEMBASSY PORT AU PRINCE
AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
AMEMBASSY MANAGUA

AMEMBASSY MANAGUA
AMEMBASSY GUATEMALA
AMEMBASSY OTTAWA
AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2368
USEU BRUSSELS 2893
USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 05 OF 10 ROME 005308

```
FROM U.S. MISSION IN ROME
```

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 05 0F 10 300831Z
E.O. 12958: N/A
TAGS: <u>EAID EAGR AORC PREF KUNR EA</u>

19. IN 1998, THE BOARD APPROVED THE USE OF A SINGLE INDIRECT SUPPORT COST (ISC) RATE OF 7.8 PERCENT APPLICABLE FOR ALL MULTILATERAL AND DIRECTED MULTILATERAL CONTRIBUTIONS. THE BOARD FAVORABLY NOTED A COMPARISON OF WFP'S ISC RATE RELATIVE TO THAT OF OTHER UN ORGANIZATIONS, AND LOOKED FORWARD TO THE OUTCOME OF THE COMPARATIVE STUDY OF RATES CHARGED BY NON-GOVERNMENTAL ORGANIZATIONS (NGOS) IN FEBRUARY 12003. IT INSTRUCTED THE SECRETARIAT TO REVIEW THE RECLASSIFICATION OF THOSE PSA EXPENDITURES THAT WERE VARIABLE IN NATURE AND THAT COULD BE DIRECTLY LINKED TO AN OPERATION, TO MAKE THE PSA MORE FIXED IN NATURE AND DEVELOP OPTIONS FOR CONSIDERATION IN THE CONTEXT OF FRAMING THE 2004-2005 BUDGET. PRINCIPAL DECISIONS TAKEN BY THE BOARD:

-TOOK NOTE OF WFP'S DECISION TO REVISE THE REMAINING PSA BUDGET APPROVED FOR 2002-2003 DOWNWARDS BY TEN PERCENT FROM JANUARY 1, 2003;

-CONFIRMED THE ISC RATE OF 7.8 PERCENT FOR 2002:

-APPROVED THE REDUCTION OF THE ISC RATE TO 7.0 PERCENT FOR 12003.

WFP CASH BALANCES: COMPOSITION AND APPROPRIATE LEVELS OF CASH

UNCLASSIFIED

PAGE 04 ROME 05308 05 OF 10 300831Z

110. WFP CONTINUES TO CONSISTENTLY HOLD SUBSTANTIAL CASH BALANCES (AT THE END OF THE LAST FOUR BIENNIA), AS FOLLOWS: 1994-95, USD 616.9 MILLION; 1996-97, USD 781.6 MILLION; 1998-99, USD 848.1 MILLION; AND 2000-2001, USD 905.0 MILLION. NOTE: BY POINT OF COMPARISON (REF B), UNICEF'S CASH BALANCE AT THE END OF THE 2000-2001 BIENNIUM WAS USD 645 MILLION. END NOTE.

11. USDEL STRESSED THAT, AS THE PRIMARY GOAL OF THE WFP IS PROGRAM IMPLEMENTATION AND DELIVERY, TO THE EXTENT THAT WFP CARRIES OUT ITS MANDATE EFFICIENTLY, THERE SHOULD BE NO ACCUMULATION OF SIZABLE CASH BALANCES. THERE NEEDS TO BE "MORE AGGRESSIVE MONITORING OF BUDGETS AND THEIR TIMELY REVISIONS AND CLOSURE OF PROJECTS WHEN COMPLETED." STRICTLY ENFORCED TERMINAL DISBURSEMENT DATES MUST FORM PART OF WFP'S

UNCLASSIFIED

UNCLASSIFIED PTO7837

PAGE 01 ROME 05308 06 OF 10 300831Z ACTION SSO-00

AID-00 ANHR-00 EUR-00 E-00 NSCE-00 OIC-02 OMB-01 SS-00 /003W INFO LOG-00 AF-00 TEDE-00 IO-00 PRM-00 SAS-00 UTED-00

---007D13 300911Z /38 P 300722Z OCT 02

P 300722Z OCT 02
FM AMEMBASSY ROME
TO SECSTATE WASHDC PRIORITY 6654
INFO EU MEMBER STATES COLLECTIVE
AMEMBASSY MOSCOW
AMEMBASSY BEJJING
AMEMBASSY SEOUL
AMEMBASSY STOKYO
AMEMBASSY TOKYO
AMEMBASSY AMADA
AMEMBASSY AMADA

AMEMBASSY ADDIS ABAB.
AMEMBASSY ASMARA
AMEMBASSY YAOUNDE
AMEMBASSY BAMAKO
AMEMBASSY NOUAKCHOTT
AMEMBASSY NATROBI
AMEMBASSY NIAMEY

AMEMBASSY TBILISI AMEMBASSY LUANDA AMEMBASSY COLOMBO

AMEMBASSY MONROVIA AMEMBASSY FREETOWN AMEMBASSY CONAKRY AMEMBASSY ABIDJAN AMEMBASSY KAMPALA

UNCLASSIFIED

PAGE 02 ROME 05308 06 OF 10 300831Z AMEMBASSY DAR ES SALAAM

AMEMBASSY PORT AU PRINCE AMEMBASSY PORTAU PRINCE AMEMBASSY BUJUMBURA AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA AMEMBASSY MANAGUA

AMEMBASSY MANAGUA
AMEMBASSY GUATEMALA
AMEMBASSY OTTAWA
AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2369
USEU BRUSSELS 2894
USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 06 OF 10 ROME 005308

```
FROM U.S. MISSION IN ROME
```

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 06 OF 10 300831Z
E.O. 12958: N/A
TAGS: <u>EAID EAGR AORC PREF KUNR EA</u>

"CORPORATE CULTURE."

112. THE BOARD TOOK NOTE OF WFP'S ACTION PLAN TO BRING ITS CASH BALANCES TO APPROPRIATE LEVELS, WITH A TARGET DATE OF DECEMBER 2003. NOTE: WFP WILL PRESENT AT THE 2003 ANNUAL SESSION (MAY 2003) A FURTHER ANALYSIS OF ITS CASH PERCULPRENEWS

COUNTRY PROGRAMS - MALI/MAURITANIA/CAMEROON/HAITI/ETHIOPIA

113. THE BOARD APPROVED COUNTRY PROGRAMS FOR MALI, 2003-2007 (USD 30.82 MILLION - 63,822 METRIC TONS); MAURITANIA, 2003-2008 (USD 29.6 MILLION - 61, 580 MTS); HAITI, 2003-2006 (USD 25.07 MILLION - 45,288 MTS); ETHIOPIA, 2003-2006 (USD 56.1 MILLION - 163,524 MTS); AND CAMEROON, 2003-2007 (USD 10.5 MILLION - 24,848 MTS). NOTE: THE PRECIPITOUS DROP IN FUNDING FOR WFF'S DEVELOPMENT PORTFOLIO REMAINS WORRISOME. DONATIONS FOR CALENDAR YEAR 2002 THROUGH OCTOBER 15 EQUALED USD 186 MILLION, A DROP OF 23 PERCENT COMPARED WITH LAST YEAR. THE U.S. HAS CONSISTENTLY ENCOURAGED WFP TO TAKE A CRITICAL LOOK AT ITS DEVELOPMENT PORTFOLIO AND MAKE SOME TOUGH DECISIONS REGARDING THEIR REAL CONTRIBUTION AND IMPACT IN THE 54 UNCLASSIFIED

PAGE 04 ROME 05308 06 OF 10 300831Z COUNTRIES (PLUS THE PALESTINIAN TERRITORY) WHERE DEVELOPMENT ACTIVITIES ARE PRESENTLY AUTHORIZED. END NOTE.

- 114. ON ETHIOPIA, USDEL URGED THE GFDRE AND DONORS TO TAKE INTO ACCOUNT ETHIOPIA' USBEL UNGED THE GFIRE AND DONORS TO TAKE INTO ACCOUNT ETHIOPIA'S STRUCTURAL FOOD DEFICIT (APPROXIMATELY 700,000 MTS/ANNUM) AND FOCUS ON IMPROVING THE NATIONAL CAPACITY TO IMPORT FOOD ON TIME TO WHERE IT IS NEEDED AND DIRECTLY ADDRESS THIS DEFICIT IN ITS DEVELOPMENT STRATEGIES. FURTHER, THAT THE GFORE NEEDED TO DEVELOP A TRANSITIONAL FRAMEWORK TO PROTECT AND BUILD ASSETS FOR ITS FOUR MILLION PREDICTABLY FOOD-INSECURE CASELOAD.
- 115. ON HAITI, THE BOARD NOTED WFP'S VULNERABILITY ASSESSMENT MAPPING (VAM) EXERCISE RELEASED (OCTOBER 2002) WHICH CONCLUDED THAT SOME 6.1 MILLION (OF HAITI'S 7.8 MILLION) ARE FOOD INSECURE, WITH 2.3 MILLION LIVING IN "EXTREME POVERTY" AND ANOTHER 3.8 MILLION LIVING BELOW THE POVERTY LINE.

UNCLASSIFIED

UNCLASSIFIED PTQ7838

PAGE 01 ROME 05308 07 OF 10 300832Z ACTION SSO-00

INFO LOG-00 AF-00 AID-00 ANHR-00 EUR-00 E-00 TEDE-00 IO-00 NSCE-00 OIC-02 OMB-01 SS-00 PRM-00 SAS-00 /003W -------007D1F 300911Z /38 TEST-00

P 300722Z OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6655 INFO EU MEMBER STATES
AMEMBASSY MOSCOW
AMEMBASSY BEIJING
AMEMBASSY SEOUL
AMEMBASSY TOKYO
AMEMBASSY ADDIS ABABA
AMEMBASSY ADDIS ABABA
AMEMBASSY ANDRA
AMEMBASSY YAOUNDE
AMEMBASSY BAMAKO INFO EU MEMBER STATES COLLECTIVE

AMEMBASSY NOUAKCHOTT AMEMBASSY NAIROBI AMEMBASSY NIAMEY AMEMBASSY TBILISI AMEMBASSY LUANDA

AMEMBASSY COLOMBO AMEMBASSY MONROVIA AMEMBASSY FREETOWN

AMEMBASSY CONAKRY AMEMBASSY ABIDJAN AMEMBASSY KAMPALA

UNCLASSIFIED

ROME 05308 07 OF 10 300832Z PAGE 02

AMEMBASSY DAR ES SALAAM AMEMBASSY PORT AU PRINCE AMEMBASSY KIGALI

AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
AMEMBASSY MANAGUA
AMEMBASSY MANAGUA
AMEMBASSY OTTAWA
AMEMBASSY OTTAWA
AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2370
USEU BRUSSELS 2895
USMISSION GENEVA

USMISSION GENEVA USMISSION USUN NEW YORK

UNCLAS SECTION 07 OF 10 ROME 005308

```
FROM U.S. MISSION IN ROME
```

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 07 OF 10 300832Z E.O. 12958: N/A TAGS: <u>EAID EAGR AORC PREF KUNR </u>

MOREOVER, SOME 22 PERCENT OF HAITIANS ARE ADJUDGED TO BE SUFFERING FROM CHRONIC MALNUTRITION, WITH 4.5 PERCENT AFFECTED BY SEVERE MALNUTRITION.

COUNTRY STRATEGY (CSO) OUTLINES

116. THE BOARD APPROVED COUNTRY STRATEGY OUTLINES FOR NIGER AND KENYA, AND FURTHER AUTHORIZED THE SECRETARIAT TO PROCEED TO DEVELOP COUNTRY PROGRAMS FOR THOSE COUNTRIES.

PRROS - GEORGIA/ERITREA/GREAT LAKES OF CENTRAL AFRICA/SOMALIA/IRAN/CENTRAL AMERICA

117. PRROS: THE BOARD APPROVED PROTRACTED RELIEF AND RECOVERY OPERATIONS IN GEORGIA (APRIL 2003-MARCH 2006, USD 23.38 MILLION, 209,500 BENEFICIARIES); CENTRAL AMERICA (MARCH 2003-FEBRUARY 2006, USD 56.6 MILLION, 690,000 BENEFICIARIES); GREAT LAKES OF CENTRAL AFRICA (THREE YEARS, USD 266.7 MILLION, 1.2 MILLION BENEFICIARIES IN THE FIRST YEAR, DECREASING TO 730,450 PER MONTH IN THE THIRD YEAR); SOMALIA (THREE YEARS, USD 48.04 MILLION, 966,585 UNCLASSIFIED UNCLASSIFIED

PAGE 04 ROME 05308 07 OF 10 300832Z
BENEFICIARIES); WEST AFRICA COASTAL (JANUARY-DECEMBER 2003,
USD 56.8 MILLION, 789,430 BENEFICIARIES); ERITREA, (TWO
YEARS, USD 45.1 MILLION, 967,400 BENEFICIARIES); AND IRAN
(TWO YEARS, USD 16.1 MILLION, 1.12 MILLION BENEFICIARIES).
MOREOVER, BUDGET INCREASES WERE APPROVED FOR THE ANGOLA PRRO
(USD 7.97 MILLION, AVERAGE OF 80,000 ADDITIONAL
BENEFICIARIES/MONTH) AND SRI LANKA (USD 3.2 MILLION, 47,500
ADDITIONAL FOOD-FOR-WORK BENEFICIARIES OVER THREE YEARS).

118. ON ERITREA, USDEL ADDRESSED THE ISSUE THE GSE PROHIBITION ON ALL FOOD-FOR-WORK ACTIVITIES. ONLY FREE DISTRIBUTION IS PRESENTLY ALLOWED UNDER EMERGENCY OPERATIONS AND SCHOOL FEEDING. GIVEN THAT CASH IS SHORT AND PROJECTS, PARTICULARLY IN THE AGRICULTURAL SECTOR, NEED ACCELERATED IMPLEMENTATION (E.G., THE FREQUENCY OF DROUGHTS OVER THE PAST DECADE SHOW A MARKED INCREASE), USDEL POINTED OUT FOODFOR-WORK CAN BE AN EXCELLENT WAY OF ENGAGING ABLE-BODIED

UNCLASSIFIED

UNCLASSIFIED PT07840

PAGE 01 ROME 05308 08 OF 10 300832Z ACTION SSO-00

UTED-00

F 3007222 OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6656 INFO EU MEMBER STATES COLLECTIVE

AMEMBASSY MOSCOW

AMEMBASSY BEIJING

AMEMBASSY SEOUL

AMEMBASSY TOKYO

AMEMBASSY ADDIS ABABA

AMEMBASSY ASMARA AMEMBASSY YAOUNDE AMEMBASSY BAMAKO

AMEMBASSY NOUAKCHOTT

AMEMBASSY NOUAKCH AMEMBASSY NIANEY AMEMBASSY NIAMEY AMEMBASSY TBILISI AMEMBASSY LUANDA AMEMBASSY COLOMBO

AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED

PAGE 02 ROME 05308 08 OF 10 300832Z
AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT AU PRINCE
AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA

AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA AMEMBASSY MANAGUA AMEMBASSY GUATEMALA AMEMBASSY OTTAWA AMEMBASSY BERN

AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2371
USEU BRUSSELS 2896
USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 08 OF 10 ROME 005308

FROM U.S. MISSION IN ROME

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

ROME 05308 08 OF 10 300832Z PAGE 03

EAGL 12958: N/A
TAGS: <u>EAID EAGR AORC PREF KUNR EAGR AORC PREF KUN</u>

BENEFICIARY POPULATIONS IN PRODUCTIVE ACTIVITIES. MOREOVER, IT WAS NOTED THAT WFP HAS GREATLY ALDED AGRICULTURAL PROGRESS IN CHINA, VIETNAM, BANGLADESH AND INDIA AND ELSEWHERE-THROUGH SUSTAINED FOOD-FOR-WORK INTERVENTIONS. (NOTE: OTHER PRROS WILL BE REPORTED SEPTELS).

WFP'S GENDER POLICY

119. THE BOARD ENDORSED WFP'S EIGHT ENHANCED COMMITMENTS TO WOMEN 2003-2007, AS FOLLOWS: I) MEET THE SPECIFIC NUTRITIONAL REQUIREMENTS OF EXPECTANT AND NURSING MOTHERS AND - WHERE APPROPRIATE - ADDLESCENT GIRLS, AND RAISE THEIR HEALTH AND NUTRITION AWARENESS; II) EXPAND ACTIVITIES THAT ENABLE GIRLS TO ATTEND SCHOOL; III) ENSURE THAT WOMEN BENEFIT AT LEAST EQUALLY FROM THE ASSETS CREATED THROUGH FOOD FOR TRAINING AND FOOD FOR WORK; IV) CONTRIBUTE TO WOMEN'S CONTROL OF FOOD IN RELIEF FOOD DISTRIBUTIONS OF HOUSEHOLD RATIONS; V) ENSURE THAT WOMEN ARE EQUALLY INVOLVED IN FOOD DISTRIBUTION COMMITTEES AND OTHER PROGRAM-RELATED LOCAL BODIES; VI) ENSURE THAT GENDER IS MAINSTREAMED IN PROGRAMMING ACTIVITIES; VII) CONTRIBUTE TO AN ENVIRONMENT THAT ACKNOWLEGGES THE IMPORTANT ROLE WOMEN PLAY IN ENSURING HOUSEHOLD FOOD SECURITY AND THAT ENCOURAGES BOTH MEN AND WOMEN TO PARTICIPATE IN CLOSING THE GENDER GAP; AND VIII) UNCLASSIFIED

PAGE 04 ROME 05308 08 OF 10 300832Z
MAKE PROGRESS TOWARDS GENDER EQUALITY IN STAFFING,
OPPORTUNITIES AND DUTIES, AND ENSURE THAT HUMAN RESOURCE
POLICIES ARE GENDER SENSITIVE AND PROVIDE POSSIBILITIES FOR
STAFF MEMBERS TO COMBINE THEIR PERSONAL AND PROFESSIONAL
PRIORITIES.

120. USDEL NOTED THAT WFP IS COMMITTED TO IMPLEMENTING THE RECOMMENDATIONS OF THE UN INTER-AGENCY TASK FORCE ON PROTECTION FROM SEXUAL EXPLOITATION AND ABUSE IN HUMANITARIAN CRISES, AS AGREED TO BY THE UN INTER-AGENCY STANDING COMMITTEE (IASC) ON JUNE 20, 2002. A WFP-INTERNAL ACTION PLAN HAS BEEN FINALIZED, WHICH WILL OPERATIONALIZE THE IASC SIX CORE PRINCIPLES. USDEL REQUESTED THAT WFP'S INSPECTOR GENERAL PAY PARTICULAR ATTENTION TO THIS MATTER TO ENSURE THAT THE ENUNCIATED POLICY IS VIGOROUSLY ENFORCED.

UNCLASSIFIED

UNCLASSIFIED PTQ7841

PAGE 01 ROME 05308 09 OF 10 300832Z ACTION SSO-00

UTED-00 TEST-00

F 3007222 OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6657 INFO EU MEMBER STATES COLLECTIVE

AMEMBASSY MOSCOW
AMEMBASSY BEIJING
AMEMBASSY SEOUL
AMEMBASSY TOKYO
AMEMBASSY ADDIS ABABA

AMEMBASSY ASMARA AMEMBASSY YAOUNDE AMEMBASSY BAMAKO

AMEMBASSY NOUAKCHOTT AMEMBASSY NAIROBI

AMEMBASSY NIAMEY AMEMBASSY TBILISI AMEMBASSY LUANDA AMEMBASSY COLOMBO

AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED

PAGE 02 ROME 05308 09 OF 10 300832Z
AMEMBASSY DAR ES SALAAM
AMEMBASSY PORT AU PRINCE
AMEMBASSY KIGALI
AMEMBASSY BUJUMBURA
BUJUMBURA

AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA AMEMBASSY GUATEMALA AMEMBASSY OTTAWA AMEMBASSY BERN

AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2372
USEU BRUSSELS 2897
USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 09 OF 10 ROME 005308

```
FROM U.S. MISSION IN ROME
```

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLERNER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

ROME 05308 09 OF 10 300832Z PAGE 03

EAGL 12958: N/A
TAGS: <u>EAID EAGR AORC PREF KUNR EAGR AORC PREF KUN</u>

EUROPEAN COMMISSION (EC) CLARIFIES ITS POSITION ON FOOD AID

121. THE EUROPEAN COMMISSION'S GIORGIO BONACCI, DIRECTOR GENERAL OF THE EUROPE-AID CO-OPERATION OFFICE ADDRESSED THE BOARD ON OCTOBER 21. HIS MAIN POINTS WERE AS FOLLOWS:

-THE COMMISSION IS INCREASINGLY FOCUSSED ON RESULTS AND REDUCING THE TRANSACTION COSTS OF ASSISTANCE;

-FOOD AID IS NOT AN APPROPRIATE INSTRUMENT TO CREATE LONG TERM FOOD SECURITY. EC'S BUDGET FOR IN-KIND DEVELOPMENT-ORIENTED FOOD AID HAS BEEN MARKEDLY REDUCED WITH A CAP OF ROUGHLY USD 500 MILLION/ANNUM. EC FOOD AID WILL BE LIMITED TO: A) RESPONDING TO CRISIS SITUATIONS IN COMPLEMENTARITY WITH THE EUROPEAN COMMUNITY HUMANITARIAN OFFICE - ECHO, B) AS A CONTRIBUTION TO STRATEGIC RESERVES AND SAFETY NETS; AND C) TO FACILITATE THE TRANSITION BETWEEN RELIEF, REHABILITATION AND LONG TERM DEVELOPMENT. MOREOVER, WHEN AND WHEREVER POSSIBLE, FOOD AID SHOULD BE PURCHASED LOCALLY OR WITHIN THE AFFECTED REGION.

122. FINALLY, MR. BONACCHI REAFFIRMED THAT WFP IS AN IMPORTANT AND VERY VALUABLE PARTNER FOR THE EUROPEAN COMMISSION AND THAT ITS SUPPORT TO WFP HAD INCREASED THIS YEAR TO APPROXIMATELY USD 154 MILLION, A 50 PERCENT INCREASE UNCLASSIFIED

PAGE 04 ROME COMPARED WITH 2001. ROME 05308 09 OF 10 300832Z

COMMENT

423. WITH AFGHANISTAN, THE PALESTINIAN TERRITORY, ETHIOPIA, ERITREA, SUDAN, UGANDA, MAURITANIA, SOUTHERN AFRICA, WEST AFRICA COASTAL, COTE D'IVOIRE, WESTERN SAHARA, DEMOCRATIC REPUBLIC OF CONGO, NORTH KOREA, SRI LANKA, CENTRAL AMERICA, COLOMBIA, AND THE NORTHERN CAUCASUS - ALL IN A DISASTER/CRISIS OR POST-CRISIS MODE - WFP IS STRETCHED TO THE LIMIT. ITS WORLDWIDE STAFF PRESENTLY NUMBERS 8,600, WHICH INCLUDES A CORE INTERNATIONAL STAFF OF 1,000. NEEDING EVER INCREASING RESOURCES, EXECUTIVE DIRECTOR MORRIS IS DETERMINED TO EXPAND THE DONOR BASE AND HE POINTED TO RECENT SUCCESSES IN DESOURCES. SUCCESSES IN RESOUCING NON-TRADITIONAL DONOR PLEDGES FROM

UNCLASSIFIED

UNCLASSIFIED PT07842

PAGE 01 ROME 05308 10 OF 10 300832Z ACTION SSO-00

UTED-00

F 3007222 OCT 02 FM AMEMBASSY ROME TO SECSTATE WASHDC PRIORITY 6658 INFO EU MEMBER STATES COLLECTIVE

AMEMBASSY MOSCOW
AMEMBASSY BEIJING
AMEMBASSY SEOUL
AMEMBASSY TOKYO
AMEMBASSY ADDIS ABABA

AMEMBASSY ASMARA AMEMBASSY YAOUNDE AMEMBASSY BAMAKO

AMEMBASSY NOUAKCHOTT AMEMBASSY NAIROBI

AMEMBASSY NIAMEY AMEMBASSY TBILISI AMEMBASSY LUANDA AMEMBASSY COLOMBO

AMEMBASSY COLOMBO
AMEMBASSY MONROVIA
AMEMBASSY FREETOWN
AMEMBASSY CONAKRY
AMEMBASSY ABIDJAN
AMEMBASSY KAMPALA

UNCLASSIFIED

05308 10 OF 10 300832Z PAGE 02 ROME

PAGE 02 ROME 0530 AMEMBASSY DAR ES SALAAM AMEMBASSY PORT AU PRINCE AMEMBASSY KIGALI AMEMBASSY BUJUMBURA

AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA

AMEMBASSY MANAGUA AMEMBASSY GUATEMALA AMEMBASSY OTTAWA AMEMBASSY BERN

AMEMBASSY BERN
SOUTHERN AFRICAN DEVELOPMENT COMMUNITY
USDA FAS WASHDC 2373
USEU BRUSSELS 2898
USMISSION GENEVA
USMISSION USUN NEW YORK

UNCLAS SECTION 10 OF 10 ROME 005308

STPDIS

FROM U.S. MISSION IN ROME

STATE FOR AS/PRM DEWEY, A/S AFR KANSTEINER, U/S LARSON, AFR/SA, PRM/P, EUR/WE, EUR/NE AND IO/D USAID FOR ADMINISTRATOR NATSIOS, AA/DCHA WINTER, AA/AFR, D/DCHA/FFP LANDIS, PPC/DP, PPC/DC USDA/FAS FOR GSM KMILLER AND RTILLSWORTH GENEVA FOR RMA AND NKYLOH/USAID BRUSSELS FOR PLEENER USUN FOR LSHESTACK NSC FOR JDWOKEN OMB FOR TSTOLL

UNCLASSIFIED

PAGE 03 ROME 05308 10 OF 10 3008322
E.O. 12958: N/A
TAGS: EAID EAGR AORC PREF KUNR EAG

THE REPUBLIC OF SOUTH AFRICA (100,000 MTS), THE RUSSIAN FEDERATION (30,000 MTS), A DONATION OF THE NELSON MANDELA FOUNDATION FOR MALAWI, AND THE INTENT OF EACH OF THE 140,000 EMPLOYEES OF THE DUTCH COMPANY TPG TO SPONSOR FEEDING A PRIMARY SCHOOL CHILD FOR A YEAR. MOREOVER, MORRIS IS PLANNING NOVEMBER TRIPS TO SAUDI ARABIA, JAPAN, THE REPUBLIC OF KOREA AND CHINA IN SEARCH OF INCREASED SUPPORT. THE FORMIDABLE CHALLENCE IS WHETHER AND WHERE ADDITIONAL FUNDS CAN BE FOUND TO MEET TO NEEDS OF SHARPLY RISING HUMANITARIAN AID REQUIREMENTS.

124. MINIMIZE CONSIDERED. HALL

UNCLASSIFIED

> 2002ROME05308 - Classification: UNCLASSIFIED